

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: 07/15/2021
POSITION: Oppose

BILL NUMBER: AB 928
AUTHOR: Berman, Marc

BILL SUMMARY: Student Transfer Achievement Reform Act of 2021: Associate Degree for Transfer Intersegmental Implementation Committee.

This bill establishes the Associate Degree for Transfer Intersegmental Implementation Committee (Committee) to provide statewide oversight of the Associate Degree for Transfer (ADT) pathway, and authorizes the Office of Planning and Research (OPR) to contract with a third-party facilitator to provide administrative support for the Committee. The bill also requires, by May 31, 2023, that the University of California (UC) and California State University (CSU) establish a lower division general education pathway allowing for transfer admission to both segments. Further, this bill requires, by August 1, 2024, that the California Community Colleges (CCCs) place students declaring a goal of transfer on an ADT pathway, unless they opt out.

FISCAL SUMMARY

The CCC Chancellor's Office indicates ongoing state operations administrative costs of \$271,000 non-Proposition 98 General Fund for centralized administrative workload associated with staffing the new Committee and implementing the bill's other provisions, and estimates one-time local assistance implementation costs of \$133 million Proposition 98 General Fund spread across all 115 degree-granting CCCs. On average, the Chancellor's Office estimates CCCs will incur average Proposition 98 General Fund costs of \$1.157 million to consolidate UC and CSU transfer requirements, support IT system changes needed to make the ADT the default pathway, and support additional counselor workload. Further, the CCC costs associated with these requirements could be determined to be a reimbursable state mandate.

The CSU indicates ongoing General Fund costs of \$85,000 to \$118,000 to support administrative and outreach activities; and one-time General Fund costs of between \$2.2 million and \$3.9 million to revise current transfer agreements, IT systems, and advising services. Finance estimates CSU's General Fund cost pressures could result in requests for state resources in the low millions of dollars.

The UC indicates ongoing General Fund costs of \$150,000 for a staff member to participate on the Committee and unknown, but potentially substantial General Fund cost pressures to revise current transfer agreements, IT systems, and advising services. Finance estimates UC's General Fund cost pressures could result in requests for state resources in the low millions of dollars.

OPR indicates contract support services for the Committee impose \$70,000 in annual staffing costs during the life of the contract. This amount does not include contracted expenses for the third-party facilitator, which could range from the tens to low hundreds of thousands of dollars.

Any requests for additional General Fund resources would be subject to review and consideration through the annual budget process.

Analyst/Principal	Date	Program Budget Manager	Date
Bruns, Brianna	08/06/ 2021	Ferguson, Chris	08/11/2021

Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

BILL ANALYSIS	Form DF-43 (Rev 03/95 Buff)
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Berman, Marc

07/15/2021

AB 928

COMMENTS

Although better alignment of transfer pathways among segments is a laudable goal and ADT pathways play an increasingly important role in California higher education, Finance opposes this bill for the following reasons:

- This bill could create a reimbursable state mandate with Proposition 98 General Fund costs in the low hundreds of millions of dollars and non-Proposition 98 General Fund costs in the millions to low tens of millions of dollars. However, the Proposition 98 General Fund costs associated with this bill could be offset by ongoing and potentially significant cost savings if the bill were to result in reduced excess unit accumulation and improved time-to-degree at the CCCs.
- It is unclear if consolidating lower division general education requirements for all transfer students, irrespective of the students' core areas of study, will enable students to complete their General Education (GE) courses and ADT coursework in the most efficient and cost-effective environment because some GE coursework may also be serving as prerequisite courses for other ADT-applicable coursework.

According to available CSU Fall 2020 transfer data, roughly 45 percent of the students who transferred to the CSU with an ADT do not remain on a guaranteed pathway at the CSU. Given that a significant number of ADT students are not remaining on their originating ADT pathway upon transfer to the CSU, the impacts of requiring a default ADT pathway on course taking and degree completion patterns at the CSU are unclear.

ANALYSIS**1. Programmatic Analysis**

Transfer pathways are critical resources for many Californians, especially low-income, first-generation, and underrepresented students. All three segments are currently using strategic frameworks that recognize the importance of transfer pathways and establish goals for helping to improve them:

- *Vision for Success* - The CCC system aims to increase the number of CCC students transferring to UCs and CSUs by 35 percent between 2017 and 2022, and decrease the number of excess units taken by CCC students from an average of 86 total units in 2017 to a potential average of 79 units by 2022.
- *Graduation Initiative 2025* - The CSU aims to increase four-year graduation rates for transfer students from 78 percent in 2019 to 85 percent by 2025, and two-year graduation rates from 41 percent in 2019 to 45 percent in 2025.
- *UC 2030 Plan* - The UC aims to increase systemwide four-year graduation rates for transfer students from 89 percent in 2016 to 92 percent by 2030, including specific goals for each campus.

The Administration and the Legislature have worked together in recent years to provide substantial funding and statutory changes that directly or indirectly support these and similar transfer-focused initiatives, including via flexible base augmentations and legislative reforms to the ADT. This has resulted in notable progress. For example, according to a June 2021 report from the Campaign for College Opportunity (Campaign), the ADT pathway is reducing excess unit-taking; CCC students earning an ADT take an average of 6.5 fewer units during

Berman, Marc

07/15/2021

AB 928

ANALYSIS (continued)

their lower division coursework than those earning a non-ADT associate degree, resulting in cost savings for students and the state alike.

However, room for improvement remains. According to the same Campaign report, CCC students earning an ADT are completing more than 85 units for their lower division coursework, even though the optimal amount in terms of student outcomes and institutional efficiencies is the 60 units required by existing law. Even ADT students, who out-perform non-ADT associate degree earners, are thus averaging more than 40 percent more units than they need.

Implementation Committee. Existing law establishes academic requirements for the ADT pathway with the goal of streamlining transfer from CCCs to the CSU, including by requiring CCC students to complete 60 semester units or 90 quarter units to earn an ADT and precluding the CSU from requiring ADT transfer students from needing to take more than an additional 60 semester units or 90 quarter units to complete a baccalaureate degree. Existing law further requires CCC and the CSU to develop a "student-centered" marketing plan for ADT pathways and pursue specified outreach activities. Existing law requests that the UC system continue improving the CCC-UC transfer process by creating guaranteed admissions agreements, working to articulate CCC and UC courses, and considering using ADT pathways.

This bill seeks to improve ADT pathways by establishing a statewide oversight committee to, among other specified activities, do the following:

- Ensure CCC students reduce excess unit-taking.
- Eliminate duplicative coursework for ADT students who transfer to a four-year university.
- Increase the number of CCC students transferring via ADT to a four-year university.
- Report recommendations to the Legislature by December 31, 2023 on statewide goals for addressing racial transfer outcome gaps and geographical transfer outcomes, among other goals.

Given the Committee's recommendations would likely involve increasing or improving ADT pathways, advising services, and/or enrollment at CCCs, the CSU, and/or UC, it is unclear if the downstream recommendations could create substantial General Fund and Proposition 98 General Fund costs or cost pressures. However, if the Committee's recommendations were to also result in more streamlined and efficient ADT pathways, and/or reduce excess unit-taking among students or decrease the average time-to-degree, these costs or could pressures could be substantially offset.

Consolidating General Education Requirements. Existing law requires the segments, in collaboration with their respective Academic Senates, to develop a "transfer core curriculum" that specifies the lower division general education courses that a CCC student must take to establish eligibility for transfer to both the CSU and the UC. The segments have fulfilled this requirement by maintaining the Intersegmental General Education Transfer Curriculum (IGETC) and, separately, the CSU has maintained an overlapping set of requirements known as the General Education Breadth Requirements (GE Breadth). The ADT and other transfer pathways are built atop of these requirements; each ADT, for example, is designed and approved by CCC and CSU bodies to be implemented for a specific major, and requires students to take IGETC and/or GE Breadth requirements in addition to other courses related to

Berman, Marc

07/15/2021

AB 928

ANALYSIS (continued)

a specific major.

This bill requires the following:

- The Intersegmental Committee of the Academic Senates of the UC, CSU, and CCCs (Intersegmental Academic Senate) must effectively consolidate IGETC and GE Breadth into a singular general education transfer pathway by May 31, 2023; and the administrative bodies of the segments must adopt a singular pathway by December 31, 2023 if the Intersegmental Academic Senate does not meet the deadline.
- The segments must treat the newly consolidated general education pathway as the only intersegmental foundation for transfer to the UC and CSU beginning in academic year 2025-26.
- The consolidated pathway must not lengthen the time it takes students to earn a baccalaureate degree.

It is unclear whether or how the consolidated pathway would address the complexity of particular course-taking patterns in majors that are built on a series of successive prerequisites such as Science, Technology, Engineering, and Mathematics (STEM) majors.

It is also unclear whether or how the consolidated pathway would reflect the CSU's ethnic studies requirement, which is mandated by existing law as a three-unit CSU graduation requirement but is not currently required at the UC.

Default ADT Enrollment. Existing law requires CCCs to develop an education plan with all first-year freshmen and to include information about ADT pathways when doing so. This bill requires that, unless students opt out, CCCs must place all students indicating a goal of transferring on an ADT pathway beginning by August 1, 2024.

The CCCs are currently developing and implementing the use of the Guided Pathways framework as a way of helping students who are undecided on a specific major to work knowingly and efficiently towards an educational pathway, which may involve transferring and earning degrees for some students, by providing them broad milestones and course-taking patterns. The extent to which the CCCs may need to revise their Guided Pathways planning and implementation to accommodate a default ADT pathway is unclear.

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)					
	LA	(Dollars in Thousands)					
	CO RV	PROP 98	FC	2021-2022 FC	2022-2023 FC	2023-2024 FC	Fund Code
0650/OPR	SO	No	C	70 C	70 C	70	0001
6440/UC	SO	No	C	150-2,000 C	150-2,000 C	150-2,000	0001
6610/CSU	SO	No	C	2,260-4,018 C	335-368 C	335-368	0001
6870/Comm College	SO	No	C	271 C	271 C	271	0001
6870/Comm College	LA	Yes	C	133,000 C	0 C	0	0001